

STATE OF ARKANSAS
EXECUTIVE DEPARTMENT
PROCLAMATION

EO 04-04

TO ALL TO WHOM THESE PRESENTS COME — GREETINGS:

AN EXECUTIVE ORDER AMENDING EO 99-08, AUTHORIZING THE CHIEF FISCAL OFFICER OF THIS STATE TO CREATE THE INTERNAL AUDIT SECTION OF THE OFFICE OF ACCOUNTING, DEPARTMENT OF FINANCE AND ADMINISTRATION, WHOSE MISSION WILL BE TO EARN AND PRESERVE THE TRUST OF ARKANSAS BY PROMOTING ACCOUNTABILITY, INTEGRITY AND EFFICIENCY IN THE OPERATION OF THE EXECUTIVE BRANCH.

WHEREAS, Arkansans have a right to expect State government to be diligent in its efforts to ensure the highest level of integrity, efficiency, economy and effectiveness in the operations of the Executive Branch of State government; and

WHEREAS, waste, abuse and mismanagement of taxpayer dollars undermine the indispensable trust in State government necessary for our system of governing; and

WHEREAS, there is currently a need to establish an entity within the Executive Branch of State government responsible for monitoring State agency activity for instances of waste, abuse or mismanagement of State resources, thereby facilitating preservation of the trust Arkansans must have in State government; and

WHEREAS, Ark. Code Ann. § 19-4-105 (Repl. 1998) directs the Chief Fiscal Officer of the State to “make continuing studies and investigations of the operation of state agencies”; and

WHEREAS, recent reforms in government accounting standards and additional stringent audit requirements for the State’s Annual Comprehensive Financial Report necessitate that the Chief Fiscal Officer of the State utilize the services of expert professional government accountants;

NOW, THEREFORE, I, Mike Huckabee, acting under the authority vested in me as Governor of the State of Arkansas, do hereby order:

I. AUTHORIZATION

Pursuant to Ark. Code Ann. §19-4-105, the Chief Fiscal Officer of this State is hereby authorized to create within the Department of Finance and Administration the Internal Audit Section of the Office of Accounting, whose mission will be to earn and preserve the trust of Arkansans by promoting accountability, integrity, and efficiency in the operation of the Executive Branch.

II. PROMULGATION OF RULES AND REGULATIONS

The Department of Finance and Administration shall promulgate and implement any necessary rules, regulations or policies to ensure compliance with the purpose and intent of this executive order. The mission of the Internal Audit Section is to earn and preserve the trust of Arkansans by promoting accountability, integrity and efficiency in the operation of the Executive Branch of Arkansas government. The Internal Audit Section Administrator shall be responsible for directing the internal audit activities to fulfill this mission, and shall report to the Administrator of the Department of Finance and Administration Office of Accounting.

III. SCOPE OF ACTIVITIES

The Internal Audit Section shall be established within the Office of Accounting in the Department of Finance and Administration to examine and evaluate State Government activities. The objective of the Internal Audit Section shall be to assist management of the Executive Branch of Arkansas government by furnishing objective analyses, appraisals and recommendations concerning the activities reviewed. It shall also be the duty of the Internal Audit Section to provide assistance and support to the Department of Finance and Administration Office of Accounting to ensure State agency compliance with all applicable accounting standards. The Internal Audit Section shall not be assigned duties or engage in any activities that they would normally be expected to review or

appraise. The Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors, Incorporated, shall provide guidance for the internal audit activities.

The Internal Audit Section shall attain this objective by:

1. providing information and support to the Department of Finance and Administration Office of Accounting as directed by the Administrator of that office;
2. developing an annual audit plan using risk analysis and obtaining approval from the Chief Fiscal Officer of such plans;
3. conducting special audits at the request of Executive Branch management, subject to approval by the Chief Fiscal Officer;
4. reviewing the reliability and integrity of financial and operational information and the means used to identify measure, classify and report such information;
5. reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned;
6. reviewing internal administrative and accounting controls designed to safeguard resources and insure compliance with laws and regulations; and
7. investigating reported occurrences of fraud, embezzlement, theft, waste, abuse or mismanagement of State resources and recommending controls to prevent or detect such occurrences.

IV. COOPERATION OF STATE AGENCIES

Affected agencies are hereby directed to cooperate fully with the Internal Audit Section in fulfilling the mission set forth in this executive order and are encouraged to seek assistance from the Internal Audit Section when appropriate.

V. APPLICATION

This order shall apply to every agency, board, commission, department, division, institution, and other offices of State government located within the Executive Branch of government and under the control of the Governor, and shall apply to State-supported colleges and universities.

This order shall not apply to the members of the Legislature, or to any employees of, or positions in, the Legislative Branch of Arkansas State government; the Justices of the Arkansas Supreme Court, Judges of the Arkansas Court of Appeals, Judges of the Inferior Courts, or to any employee of or position in, the Judicial Branch of Arkansas State government; elective officers of the State, or any employee of the Lieutenant Governor, Attorney General, Secretary of State, State Auditor, Land Commissioner, State Treasurer; employees of the Arkansas Highway and Transportation Department, or the Arkansas Game and Fish Commission. But any agency, department, board, commission, or office of State government within the Executive Branch exempted as herein above stated may voluntarily agree to be covered by the provisions of this order.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Arkansas to be affixed at the Capitol in Little Rock on this 14th day of December in the year of our Lord, two thousand four.



GOVERNOR MIKE HUCKABEE

SECRETARY OF STATE CHARLIE DANIELS